

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;  
Robert G. Taub, Vice Chairman;  
Mark Acton;  
Tony Hammond; and  
Nanci E. Langley

Competitive Product Prices  
Global Expedited Package Services 3 (MC2010-28)  
Negotiated Service Agreement

Docket Nos. CP2013-71

Public Representative Comments on  
NOTICE AND ORDER CONCERNING FILING OF  
GLOBAL EXPEDITED PACKAGE SERVICES 3  
NEGOTIATED SERVICE AGREEMENT

(July 8, 2013)

In response to Order No. 1770, the Public Representative hereby comments on the June 28, 2013, Notice of United States Postal Service of Filing a Functionally Equivalent Global Expedited Package Services (GEPS) 3 Negotiated Service Agreement (Notice).<sup>1</sup>

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<sup>1</sup> Notice of United States Postal Service of Filing a Functionally Equivalent Global Expedited Package Services 3 Negotiated Service Agreement and Application for Non-Public Treatment of Materials Filed Under Seal, June 28, 2013.

The Postal Service's Notice stipulates that this NSA is consistent with the policies of 39 U.S.C. § 3633 and 39 C.F.R. § 3015.5. *Notice at 2.* Further, the Notice demonstrates that the agreement is functionally equivalent to the contract that is the subject of Docket No. CP2010-71. *Id.*, at 2. This contract serves as the baseline agreement detailed in Governors' Decision No. 08-7.<sup>2</sup> The Postal Service states that the contract is fundamentally comparable to the baseline agreement and as a result should be added to the competitive product list as a GEPS 3 contract. *Notice at 3.* The Notice identifies several differences between the proposed contract and the baseline contract. In general, the differences include: name of the customer; revisions to paragraphs; Modifications of the Agreement which resulted in renumbering some article numbers; and the addition of Annex 2. *Id.*, at 5 through 6.

### **Pricing, Cost Coverage and Contribution**

The GEPS NSA model provides incentives for a mailer sending large volumes of EMI and/or PMI to foreign addressees. The contract's pricing reflects appropriate increases in costs and comports with the template in Governors' Decision 08-7, which established the GEPS product.

### **Conclusion**

After reviewing the materials filed under seal in this docket and comparing materials of this agreement with the corresponding baseline agreement, the Public Representative acknowledges that the pricing in the present GEPS 3 contract appears to comport with the applicable statutory and regulatory requirements. In addition, the proposed modifications to the contract appear reasonable. Based on the information provided in this contract, it appears that the contract will generate sufficient revenues to cover attributable costs. In addition, this contract employs pricing incentives based upon

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<sup>2</sup> The Governors established a pricing formula and classification that ensures each GEPS contract meets the criteria of 39 U.S.C. § 3633 and the regulations promulgated thereunder. Therefore, the costs of each contract conform to a common description. In addition, the GEPS language proposed for the MCS requires that each GEPS contract must cover its attributable costs.

volumes and other provisions favorable to the Postal Service, NSA Partner, and the public.

Respectively Submitted,

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